

110TH CONGRESS
2D SESSION

H. R. 6719

To amend the Internal Revenue Code of 1986 to allow hardship distributions from 401(k) plans to prevent the insolvency of a trade or business of the employee.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2008

Ms. BEAN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow hardship distributions from 401(k) plans to prevent the insolvency of a trade or business of the employee.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Access
5 to Savings Act of 2008”.

1 **SEC. 2. HARDSHIP DISTRIBUTIONS FROM 401(k) PLANS TO**
2 **PREVENT THE INSOLVENCY OF A TRADE OR**
3 **BUSINESS OF THE EMPLOYEE.**

4 (a) **IN GENERAL.**—Subsection (k) of section 401 of
5 the Internal Revenue Code of 1986 (relating to cash or
6 deferred arrangements) is amended by adding at the end
7 the following new paragraph:

8 “(14) **SPECIAL RULE RELATING TO HARDSHIP**
9 **DISTRIBUTIONS.**—For purposes of subclause (IV) of
10 paragraph (2)(B)(i), hardship of the employee shall
11 include the prevention of insolvency of a trade or
12 business of the participant.”.

13 (b) **EFFECTIVE DATE.**—The amendment made by
14 subsection (a) shall apply to distributions after the date
15 of the enactment of this Act.

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